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OFFICIAL DISPATCH

MICROFILMED

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DESENSITIZED

Per DOI 70-17

SECRET

CLASSIFICATION

DISPATCH NO.

0100 3554

8 JUN 1956

TO

FROM Chief, WE

SUBJECT { GENERAL Operational/PARSONS/REINAY
SPECIFIC Operation VENUS

RECORDS OFFICER STAMP

The following action is
authorized: *downgrade to secret*

Signed

REF: A) ORBA 5451 (11 May 1956) - R.O. #401 - Unit

1. From reference A it would now appear that the military program for Hungarians in Spain, about which the AVN has been seeking information, actually concerns the absorption of Hungarian officers into the Spanish Army, rather than an independent WEK effort as implied in earlier reports. Headquarters was somewhat puzzled by earlier reports, since the Spanish desk stated that it had no information concerning the build-up of Hungarian, (or any other satellite) emigre military units or "instruction camps" under the sponsorship of the WEK or another emigre group in Spain. Thus, Headquarters was inclined to believe that in actuality there was no substance to the report, since, if such a program had in fact existed, it would in all probability have come to the attention of either the German Station reporting on WEK affairs.

2. Headquarters also checked through the rather extensive traces on Lt. Col. Ferenc SZANTAI, WEK representative in Spain, and on Ferenc ARUSY, the two individuals later was instructed to contact in order to obtain the desired information on military training in Spain. It was determined that since 1947 SZANTAI's name has repeatedly come up in connection with various anti-communist emigre organizations seeking to gain the support of the Spanish Government. SZANTAI was Hungarian MA in Spain during World War II and there are numerous reports attesting to his collaboration with the GIs during that period. Reportedly, SZANTAI headed the German directed Hungarian espionage efforts in Spain during World War II. Information on SZANTAI's more recent activities on behalf of the WEK is rather meager and is limited simply to reports wherein his name is given as the WEK representative for Spain.

3. With regard to Ferenc ARUSY, who to date is still officially recognized by the Spaniards as the representative of the Royal Hungarian Government, he reportedly is also the leader and mainstay of the Committee of Nations Oppressed by Communism and is a representative in Spain of the WEK-sponsored Hungarian National Committee.

(Releasing officer)

(Coordinating officer)

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(Authenticating officer)		IN
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FORM NO. 51-29
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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

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4. Attached hereto are more detailed summaries of information on the above mentioned individuals.

5. Although, as mentioned above, we have no information on the build-up of emigre military units in Spain, there is a report dated October 1955 regarding a meeting sponsored by MAROSY's Committee of Nations Oppressed by Communism. The meeting considered a tentative plan to transfer several sections of the Anti-Bolshevist Bloc of Nations (ABN) to Spain. Inasmuch as MAROSY's group sponsored the meeting and since the ABN as an organization advocates a policy of organizing armed resistance, this meeting may have been what gave rise to the confusion in the AVH ranks regarding a military program in Spain. Possibly adding weight to this supposition, we note that according to one of the VENUS reports, Fueredi allegedly indicated there was contradictory information on the report back at the AVH Headquarters.

6. [] information and interest with respect to the plan to create an office of the ABN in Spain, it was reported that no definite agreement on the proposal was reached. It seemed that although those attending the meeting were in agreement with the principles of the ABN, it also apparently occurred to some of the Committee members that the appearance of another emigre organization might represent competition for their own organization. Thus no final decision was made, and it was decided to leave the matter to be settled directly between the ABN and the Spanish authorities. Insofar as Headquarters could determine this was the last report on the matter received from [] []

7. OSMA 4395, reporting the information in paragraph 6 above, also went on to identify the Committee of Nations Oppressed by Communism as a group organized in Madrid in about 1949. As in the case of the organization's leader, MAROSY, some of the officials of the Committee are recognized by the Spanish Government as the official representatives of their respective countries (Latvia and Estonia). There are also politically active members of the Polish, Rumanian, Croatian, Slovak, Ukrainian and Bulgarian emigrations. During the last few years the Committee's activities have been reduced solely to publishing the magazine, Boletin de las Naciones Oprimidas por el Comunismo, which is subsidized by the Spanish Government. The Bulletin, however, is not very effective. With regard to [] suggestion of possibly providing Peter with information to "pad out" his report to Fueredi, Headquarters feels that generally this would not be advisable in the VENUS operation. Peter is regarded essentially as an MKKK directed operation from our standpoint. ZAKO's blessings are probably given to whatever information the agent passes and on the basis of the one instance when we served as intermediary in forwarding Peter's reports to ZAKO, we became aware that his reporting to the latter is as complete as to [B] To Headquarters it seems that little would be served by gratuitously furnishing him with material which can best

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be provided him by the MBER.

9. Headquarters regrets that some incidental points which have come up in past reports and which have been checked out here have never been communicated. Thus, somewhat belatedly we are commenting on them herein. Headquarters, upon learning of Peter's instructions to visit Munich shops for "Sonofils" (possibly recorders) resembling bill folds, watches, etc. (OBRA 4591), checked with KURIOT on the existence of such equipment. It was learned that even in the developmental stage there is no such equipment available. According to KURIOT, no one has mastered the engineering feat of reducing a recording instrument to the size reported.

10. Also with respect to OBRA 5064 (9 March 1956) which requested a translation of the report in Hungarian (submitted by Peter to the AVH) concerning his visit to Istvan Andraszewsky and Ferenc ARCS, attached hereto (attachment C) is the translation of this report, as well as translations of his correspondence with ARCS relative to the trip to Spain, which was also to be submitted to Auerdi.

By

6 June 1956

WE-2/VG/cs

Attachments: 3

Distribution:

2-[] (w 3 att in dup)
2-WE/2 (w 3 att in dup)
2-EE/H (w 3 att in dup)
1-RI (w 3 att)

C/WE/FF

WE/5 Spain

EE/H

C/WE/2

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FEB 27 1951

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Lt. Col. Eugen Szantay

ATT A TO OBW 3554

In 1941 or 1942, SZANTAY arrived in Madrid as Hungarian Military Attache accredited to both Spain and Portugal, (previously MA in Bucarest.) Upon his assignment to Spain it was reported that SZANTAY had come with instructions from the Budapest Honved Ministry (Home Defense) to provide information to the AIRBORNE and for this purpose communicated with Budapest directly and independently of his Minister. In March 1944, Subject, a confirmed Germanophile refused to support Minister AMERIO and established relations with the new Hungarian Government which was formed by the Germans. Reports have it that Subject was the best paid MA in Madrid during this period and that his office worked exclusively for the Germans. Reportedly at least nine officers were attached to him engaged in helping the AIRBORNE as instructed by the HRS. SZANTAY reportedly headed the CIT HUNG? Hungarian espionage effort in Spain during WW II and in this connection there are numerous KUTWIN reports dated 1944-45 attesting to his cooperation with the Germans and other Axis dominated countries. At one point, Josef FULOP, one of the Subject's collaborators, was expelled from Portugal for carrying out espionage for the Japanese. At the end of the war FULOP was interrogated and stated that SZANTAY's main duty was liaison with the Axis and with neutral MAs in Madrid. He delegated his IS functions in Portugal to FERENCZHALMY. FULOP reported Subject as being of German origin, married to a German woman, supporter of the Arrow Cross Movement and distrusted intensely by the Legation Staff. According to FULOP, subject did not carry out his duties very conscientiously. It was believed that SZANTAY was still in possession of the greater part of the funds of the Purchasing Commission after the cessation of hostilities.

In June 1945 SZANTAY was interned at Caldas de Malavella and in August 1945 was transferred to Segovia.

H CIT HUNG? A PORT LISBON 91

In September 1946 Subject was still in Madrid. His assistant, Lt. Col. FERENCZHALMY, was also in Lisbon in a non-official capacity since there was no longer a Hungarian Mission in that city. Reportedly the men communicated through Col. Ramon FARIAS, Spanish MA in Lisbon who permitted them the use of the Spanish diplomatic pouch.

In October 1947, Ferenc VAJTA visited Spain in connection with his plans for an Eastern European Center in Madrid. One of the purposes of this group was to gather in Madrid known personalities who had had through diplomatic or military careers long experience in Eastern European affairs. SZANTAY was mentioned as a prospect although it was known that he at one time had been pro-German.

CIT SPAIN DEC GOIN A SPAIN

There is a report dated December 1947 in which it was indicated that SZANTAY was in contact with General Fidel Davila, Spanish War Minister, who had reportedly given SZANTAY permission to send correspondence through to any country where Spain had a diplomatic mission. DAVILA's purpose reportedly was to enable Subject to get in touch with anti-communist Hungarian groups throughout the world and to organize those who opposed the regime into a Hungarian anti-communist bloc. Reportedly SZANTAY had discussed with DAVILA the proposition of setting up an anti-communist government in exile in Madrid and DAVILA had been enthusiastic about the prospect. However, after discussing the matter with FRANCO, the latter decided that it would be better to wait until SZANTAY could make a more definite assessment of how serious an anti-communist front could be raised by the Hungarian abroad.

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ATT A TO ODBW 3554

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MSBA 3321 (28/7/50) listed Subject as MHR representative in Spain residing at Legasca 124, Madrid.

EGMA 12627 (DOI May 1954) - List of the members of the former Hungarian General Staff in the emigration who are followers of General Zako included Subject.


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ATT B TO OBW 354

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Marosy, Ferenc
 Ferenc or Francois MAROSY, aka ~~MENGELLE~~ - Born 30 June 1893
 (last name also spelled MAROSZY, MAROSSY)

Subject was a career diplomat who entered the Hungarian foreign service in 1919. The following of his diplomatic assignments are confirmed on our records:

Secretary of Legation and Charge d'Affairs a.i. Madrid 1932-34;
 (Served under name MENGELLE which he later changed to MAROSY)
 Chief Press Department Foreign Ministry Budapest 1933-37;
 Councillor of Legation London 1937-39;
 Charge d'Affairs Egypt 1941;
 Minister to Croatia 1941-43;
 Minister to Finland 1944.

MAROSY indicates he resigned from the Hungarian Foreign Service in October 1944, staying in Sweden until 1946. Of German ethnic origin, (Volksdeutsche), MAROSY has been reported of Monarchist background as far as Hungarian politics are concerned and as a known Anglophile. He was closely associated with Admiral HORTHY and was dismissed from the Hungarian diplomatic Service when HORTHY retired. MAROSY arrived in Spain in 1946 where he unsuccessfully invested some funds in a mining venture and experienced financial difficulties even though he received help from the British.

Inasmuch as the Spanish Government has never recognized the present Communist regime in Budapest nor since World War II exchanged official diplomatic representatives, the affairs of the Royal Hungarian Legation in Madrid were up to early 1949 handled by the former chancellor of the Legation. Then in April 1949, the Spanish Ministry of Foreign Affairs handed the Legation building over to Ferenc MAROSY who was living in Madrid as a private citizen. MAROSY, as an anti-communist exile, ex-Minister and representative of the Hungarian National Committee, was recognized by the Spaniards on a quasi-official basis as the rightful diplomatic custodian of Hungarian affairs in Spain and was given the honorary or courtesy title of Minister which he enjoys to date. The Legation presumably represents non-Communist Hungary and is charged with matters involving Hungarian exiles. Mr. and Mrs. MAROSY reside at the Legation proper which is located at Castellana 49, Madrid, and are not very active in Madrid society. MAROSY occasionally issues passports and entertains the Hungarian colony. In the past it has been reported that the Legation personnel appear to be in a rather precarious financial state. Information dated 1950 reports that MAROSY was the leader of the pro-German bloc in the Hungarian Foreign Office which accounts for the animosity toward him afforded by some of the emigres. He is described as not particularly clever and probably not a war criminal. It was said, however, that he would not have been allowed to serve as Hungarian National Council representative in Spain, nor would he have been able to reopen the Legation, had it not been for his good connections with the Spaniards. MAROSY was said to keep in touch with Col. SZENTAY and other pro-Nazi Hungarians although he realized that his future lay in his cooperation with the Hungarian Council regardless of his personal inclinations.

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ATT B TO ONSW 3554

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A report dated November 1955 indicates that MAROSY receives \$300 a month from the Hungarian National Council, part of which is supposed to be spent on the Hungarian language program of Radio Nacional. OSMA 579 (11/8/53) identifies MAROSY as a program planner, script writer for the Hungarian Section of Radio Nacional. This report also mentioned the fact that the British IS was interested in this group and indicated that two persons connected with the Program were identified in various reports on file as BIS agents. One of the two was MAROSY.

OSMA 4227 (18/8/55) listed personnel connected with the Eastern European Division of Radio Nacional de Espana. MAROSY's name was included as a collaborator in the Hungarian Section, and indicated that in a December 1954 listing MAROSY was reported as editor-in-chief of the Program. OSMA 4227 also identified MAROSY as a collaborator.

The above summary is not intended to be a complete rundown of all the information available on Subject reflected in Headquarters files, but simply reflects the major points of his career and present activities to cover the limited interest in this individual.

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ATT. C TO OBEN 3554

An Account - as of 18 Jan '56

On 15 Dec. D. wrote his Case Officer-a week later he wrote SZANTAY and the Spanish Embassy at Brussels regarding a visa for Spain. The Spanish asked for recommendations; SZANTAY hasn't answered as yet. D. has therefore not taken any steps to carry out the directive (given him by Case Officer).

The Case Officer answered D. on 1 Jan. He wonders about the possibility of the trip, but is happy about it. He entrusted (?) D. to brief SZANTAY, and even gave him a secret message (see Attachment).

During the past week D. was up in Brussels and met ZARAY, ANDREANSKY and EROES (he ate at the latter's home). ZARAY is unhappy; he and his wife are ill. D. invited him to the MIHK get-together on the 22nd (Jan) where he would give a briefing about the meeting. ANDREANSKY is writing articles. One appeared in the Nemzetvedelem (Home Defense) magazine published in Germany, and he is currently working on one for Szocialista Szemle (Socialist Review). He and EROES understand each other now and work together. One can't talk to ANDREANSKY for five minutes without his bringing up the Carpathian (Ruthenian) problem. He curses the Hungarian National Committee and especially Karolyi. He sees the domestic situation in Hungary as "progressing well". EROES continues to work at the People as a typesetter, and has given up the idea of a tanning factory. He attaches great hope to the future line of the socialist faction which he represents. He is strongly anti-American and he sees Hungary's future as a socialist state closely connected to the USSR. He too, says the domestic situation at home progresses well. He sees proof in the release of the Social Democrat prisoners and the easing of tension between Hungary and Yugoslavia. He repeats that he has excellent connections with Belgian Social Democratic leaders. He admits that certain freedoms are curtailed in Hungary now, but feels this will not last long at the present rate of development. He initiated his newspaper with the aim that if the changes he expects in Hungary come to fruition, then he can start a socialist movement at home. He is unequivocally against any retrogressive step; he does not feel it is possible for capitalism to return to Hungary, and feels that Hungary's chief enemy is American capitalism. He does not believe there will be a war, but if it should happen, then the only guilty party will be American capitalism, which will want to solve its economic crisis into which it will have fallen by starting a war.

Tot Mihaly

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H/W att 3 to OBEN 3554

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ATT. C TO OBDM 3544
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MHEK
Belgian Hq

Liege, 15 Dec '55

Dear General -

Merry Xmas and Happy New Year.

I am happy to report good news...I may be sent to Spain to obtain certain machine parts not available here. It is not yet certain - I'd only stay a few days at any rate. I shall of course find time to meet Col. SZANTAY and to brief him orally.

I shall visit Hq. soon. The Hadak Utjan is here, and there is much material to discuss...

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1 Jan '56

Dear Friend -

Received your 15 Dec letter - (Repeats seasons greetings)

I'm surprised about your trip to Spain; this is a step forward for you and I am happy. I'll alert SZANTAY about your trip. I request you to brief him. Tell him that what he expects this month, will arrive. It is not necessary to say more; he knows what you are talking about. By February, this will not be valid.

Greetings,

Zako Andras

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22 Dec 55

Dear Col

I may go to Spain - Factory may send me. ZAKO contacted me and suggested meeting and briefing regarding his ideas. I'll mention your name to Spanish Consul in visa request.

Greetings

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Receipt

6000 Frs - Dec '55 3000 for sidecar

Jan '56 1000 for sidecar; 2000 for personal use

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/s/ Tot Mihaly